

**Regular Meetings are held the first Monday of the month**

**The Old Statehouse 240 High Street Bristol, RI**

**8:30 a.m.**

## **Meeting Minutes**

**Monday February 6, 2012**

**Present: Jeanne Napolitano, Beth Milham – Newport; Dennis Culberson, Garry Plunkett – Tiverton; Gary Gump – Portsmouth; Daniel Mendelsohn – ASA; Eric Busch – Rustpoint; Christine Weglowski Forster – Middletown; Phil Hervey – Barrington; Jeanne Boyle, Wayne Barnes – East Providence; Joe Fraioli – Little Compton; Diane Williamson, Walter Burke – Bristol; Tom Moses – Moses & Afonso; Hannah Morini – RI EDC**

**1. Call to order/ Jeanne Napolitano: The meeting was called to order by J. Napolitano at 8:39 AM.**

**2. Approval of January 9th 2012 minutes. Gump /Plunkett /unanimous.**

**3. Renewable Energy Siting Partnership (RESP) Event/ Christine Weglowski Forster: C. Forster updated the group on Rhode Island Sea Grant & RESP's plans to hold a Public Day, which is confirmed for Saturday, March 31st. The event will be hosted by Roger Williams University and EBEC. The all day event has been tentatively scheduled to begin at 9AM, and will be confirmed in the coming weeks. Forster will keep the group updated.**

**D. Mendelsohn also reported to the group that on April 24th the Environmental Business Council of New England is hosting a Rhode Island wind energy update program. He encouraged EBEC to be represented there, and urged inclusion of an EBEC presentation by E. Busch. He noted that the starting time would range from 7:30 to 8:00 AM, and would be held in Providence, on which he would keep the group posted.**

**4. Draft Entity Legislation Update/ Tom Moses: T. Moses reported that a recent draft of entity legislation had been sent out to the group for their review; and that he had not yet received any feedback. Moses then opened the discussion to comments on the draft he submitted to the members.**

**a. Content: G. Plunkett commented on his concerns relating to the establishment of retirement benefits as written in the draft. He touched on the current public opinions concerning pension packages, and that the provisions may not be welcomed by the community. Moses responded to these concerns and explained that such language involving retirement provisions is common to documents outlining powers of incorporation of any organization, and especially those independent quasi public agencies as EBEC. The group discussion focused on the future structure of EBEC which included human resources such as Executive Director, among other professional positions. Moses noted that this language did not apply to current members of EBEC, but was meant to foresee and authorize powers for a future operational EBEC. Moses advised that any powers not considered and included at this stage, were powers that**

would be strictly unavailable to EBEC in the future. He continued stating that omissions of such considerations outlining retirement benefits would be problematic to future EBEC concerns. Forster remarked that this issue would continue to arise as discussions with the Town Councils and Town Solicitors progressed.

Moses expressed that the bigger challenge would revolve around a proposed EBEC condemnation authority, in relation to EBEC's ability to issue tax-exempt bonds. The group delved deeper in discussion and focused on language; and the necessity that the draft legislation contain flexibility for EBEC to maneuver future unknowns. G. Gump raised his concerns regarding the process of designating "surplus and beneficial ownership." He explained confusion surrounding such terms as revenue, and surplus. He highlighted other phrases and the difficulty they caused him. Moses agreed that he was troubled by the components as well, noting that there were many modes to consider concerning cash-flow division. Moses asked the group what the realistic approach would be, in light of the vastly different circumstances in the nine EBEC communities. Further, Gump noted past interaction with the Federal Energy Regulatory Commission (FERC), and advised that EBEC review their standing with them.

Gump continued his comments by addressing concerns with the clause "power to distribute and sell electricity;" and the known issue of net-metering. Moses reported that he tailored sections of the draft to state that the towers are owned by the towns, an allusion to the EBEC management agreement option previously discussed in other meetings. Moses reiterated the difficulty of net-metering as an option

for EBEC, yet he stressed the need for net-metering to remain as an alternative expressed in the powers of incorporation. E. Busch joined the discussion by highlighting that net-metering rate structure was based on usage. Moses added that due to the diversity of usage among the towns, the projected (and hoped for) cash-flow returns would be difficult to attain. He warned that this would be a large problem.

Moses switched gears, and reported that he had a discussion on February 3rd with National Grid. He relayed that National Grid expressed optimism that EBEC possessed a winning proposal, after they surveyed tentative submissions. Gump raised further questions concerning specific language at 39.29.10 and 39.29.24 of the document. He stressed the importance of having a “definitions section” clearly outlining specific usage of terms. Napolitano agreed that clear explanation of terms and concepts would help those who are new to EBEC. J. Boyle commented that the draft does allow for sufficient flexibility concerning the long range vision of EBEC.

J. Fraioli remarked on his concerns regarding the position of the small towns in respect to such things as net-metering consumption, and limitations that small towns would have to consider. Moses responded by reiterating the difficulty in the net-metering option, arising from the way the system is designed. He believed that it would be economically unfeasible for the smaller towns because of the limits by the 125% consumption requirement. Moses explained that the net-metering design flaw grew out of a planning stage that only

looked at general averages of towns, and not specific data respecting the varied use of small towns to larger towns. The group then delved into numbers involving megawatts and the original notion involving the EBEC power and money clearing house concept.

The group discussion then turned to EBEC goals, current and past. Napolitano shared that her original aim was to reduce electrical costs for her city, and Mendelsohn reported that EBEC was free to use future cash flows in any manner the nine communities saw fit. Mendelsohn continued, noting that all nine communities would get equal divisions of future revenues. The group discussion continued to focus on proper revenue dispersion, at which point Moses commented that regardless of individual towns' energy consumption, the project would be a windfall for every community. Moses then moved the discussion to an explanation of steady rates, and his thoughts toward operating EBEC as a power generating company. Mendelsohn reiterated the importance of drafting legislation so it allows EBEC to operate accordingly to future goals and Moses stressed that EBEC (in its future) would likely be involved in many projects, regardless of the current Tiverton plan. The group ended discussion with thoughts concerning private landowner & other town involvement, and prospects of geo-thermal and other production means to offset the nine towns' fossil fuel consumption.

b. Leadership Outreach/ Christine Weglowski Forster: Forster reported that EBEC would take advantage of the coming RESP Public Day, and that she already extended invitations to community officials welcoming them to participate. She reported that Moses would begin

briefing discussions with the Town Solicitors, to allow them the opportunity to fully understand the proposals as they go before the town councils. Napolitano expressed the need to properly plan the meetings to accommodate the schedules of all the people involved, and suggested bundling the meetings by regions (e.g.: Newport/ Middletown/ Portsmouth). Plunkett shared that it was also important for Tiverton to have a consensus on the briefing meetings, so not to surprise anyone, especially in light of the legislation submission.

Moses shared that he would like each of the nine communities' State Representatives and Senators to be sponsors of the legislation. Plunkett informed the group that Cecil Leonard and Tiverton plan to continue the January 30th discussion at a meeting on February 13th. Boyle restated the significance of passage of the EBEC legislation enabling EBEC to move forward on any other endeavors. The group came to the consensus that action from Tiverton was important; Plunkett and Moses then planned to coordinate contact with Jay Lambert to prompt Tiverton. Mendelsohn reminded the group that EBEC has identified twenty locations suitable to wind energy production. The group then instructed Busch's office to produce a data filled booklet designed to present the EBEC proposal in a streamlined ready-access format for the Tiverton Councilors' benefit. The group also came to the consensus that EBEC's introduction to the other towns' leadership follow the same approach as used with Senator Whitehouse's office.

The group then discussed the Critical Path and the significance of the sign off from Tiverton to move forward according to the Critical

**Path's timeline. Busch stressed that parallel action had to occur to maintain milestones designated in the Critical Path, this includes completion of associated Impact Studies before the looming June 2012 National Grid deadline. The group discussion then focused on possibly adjusting the timeline in the Critical Path, given the conflicting natures of the Power Purchase Agreement deadline and the decision to move forward by Tiverton.**

**The completion of state siting guidelines; and ordinance development in Tiverton was highlighted, of which Mendelsohn shared that he, Plunkett, and Andy Shapiro were asked to review drafts of the siting guidelines. He reported that the Division of Planning and RESP were coordinating a projected late March finishing date, while Plunkett projected a three month timeline for the Tiverton Ordinance (which requires public hearings). Moses stressed that the ordinance timeframe was challenging, as site control was an absolute requisite in the application for PPA. He believed that the issuance of a "Letter of Intent" from Tiverton should be the target, and would be sufficient in meeting the site control requirement.**

**The group discussion moved to tentative anticipation dates for revenue to begin. There was consensus that this would be in 2015. Busch commented that his office would move forward to be fully prepared to meet the June National Grid deadline. The group then began coordinating details concerning the February 13th follow-up meeting at Tiverton. The group discussion then moved to remarks shared at the January 30th meeting. Busch, Mendelsohn & Moses all shared that comments were probing and direct. Napolitano concluded**

discussion by reporting that the offices for the Senate President and House Speaker had been contacted, and that EBEC aimed to meet in the coming week to discuss the legislation with them; she also noted that at a recent gathering various legislators shared their interest and support with her. The group agreed to contact their local legislators.

**5. Highlights of Status Report/ Eric Busch, Daniel Mendelsohn:** Napolitano turned the discussion to the status report, of which Busch and Mendelsohn reported.

a. **Tiverton Town Council Workshop:** Busch shared more details coming out of the January 30th meeting with Tiverton. He noted that APEX presented first and that their presentation was broad, touching on company and track record. He also shared that APEX presented a proposal that contained a lease payment & PILOT and that they presented in averages over the first 10 years of operation. He reported that he and Mendelsohn then presented for roughly thirty minutes. He noted a similarity between APEX and EBEC assumptions. He reported on the probing nature of questions posed and highlighted one question exploring the origin of the percentage used for host community payment. Busch commented that APEX's proposed economic returns only involved lease payment and PILOT. Busch reported that following EBEC, Chris Spencer and the Tiverton Planning Board concluded the meeting, by presenting details regarding the known industrial park proposal. He reported that the dialogue at the meeting focused on the prospects of drawing tenants to the park, as well as turbine fall zone configuration. He concluded the discussion by noting the need to develop images rendering the



turbines in the landscape.

Busch then reported that he plans to talk this week with the USDA; he is investigating the potential funding from rural utility service programs. He also described having discussions with various land owners near the proposed Tiverton site. Busch ended his segment noting that he had sent proposal copies to North Tiverton and Stonebridge. In response to a question by Boyle, Medelsohn began his comments by returning to the January 30th meeting, and the portion involving associated costs (infrastructure) to develop the industrial park. He explained that there was a subtle consensus at the meeting that a wind energy park was easier to accommodate in comparison to the investments necessary for a viable industrial park. Mendelsohn believed that the cost evaluation of the options, when comparing wind over industry, were the main sentiment in the councilors' minds. Mendelsohn noted that tough questions were also aimed at Spencer. After one of Spencer's responses, Mendelsohn reported that some of the councilors vocally stated- "well why don't we just put the wind turbines there then?" Busch joined the discussion by observing that Spencer shared a roughly \$3 million dollar estimate for infrastructure installation. Mendelsohn continued by reporting that Spencer's office estimated the value of the industrial park at roughly \$5 million dollars, when accounting for sale of all the parcels within the park. Mendelsohn continued his comments by sharing the Council's reaction saying that, due to the difficulties of the topography at the proposed site, that perhaps half of it was undevelopable. Plunkett offered to take the Council members out to

**tour the site.**

**The group dialogue then turned to the land at the Tiverton site, where the group discussed the topography and actions necessary for grade preparation and installation of infrastructure. There was consensus that EBEC should act to convince the Town that wind energy is the proper lead industry. Busch commented that Spencer's underlying goal was to value the property. Mendelsohn completed his comments emphasizing EBEC's position as having the best land use proposal for the site in comparison to other options.**

**b. Next Steps/Priorities: Busch summarized that the upcoming January 13th meeting is a priority for preparation, especially in responding to some of the more probing questions mentioned earlier. The group also agreed that continued work on the advancement of legislation, as well as, receiving a letter of intent for site control was very important. Next steps included Moses' meeting with the Speaker and the Senate President in the coming week, and EBEC members' work to contact their local legislators, and councils. The group discussion ended with agreement that flexible legislative empowerment for EBEC's future was very important.**

**6. Executive Session: The group decided that an Executive Session was not needed, and moved to adjourn the meeting.**

**7. Next meeting March 5th, 2012 at 8:30am.**

**Motion to adjourn by G. Gump/ Forster. Unanimous at 10:18AM.**

**Submitted: Nathan Shorty**